

VZCZCXRO2499  
OO RUEHCI  
DE RUEHKT #1081 2701147  
ZNY CCCCC ZZH  
O 261147Z SEP 08  
FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9267  
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6677  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 6970  
RUEHKA/AMEMBASSY DHAKA PRIORITY 2278  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5016  
RUEHLO/AMEMBASSY LONDON PRIORITY 6211  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2670  
RUEHCI/AMCONSUL KOLKATA PRIORITY 4335  
RUEHGV/USMISSION GENEVA PRIORITY 2181  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3340  
RUEKJCS/SECDEF WASHDC PRIORITY  
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY

C O N F I D E N T I A L KATHMANDU 001081

SIPDIS

E.O. 12958: DECL: 09/26/2018

TAGS: [PREL](#) [PGOV](#) [PTER](#) [EAID](#) [EINV](#) [NP](#)

SUBJECT: SCENESETTER AND TALKING POINTS FOR MEETING WITH  
FOREIGN MINISTER YADAV AT UNGA

REF: KATHMANDU 1048

Classified By: Charge d'Affaires a.i. Randy W. Berry. Reasons 1.4 (b/d  
)

#### Introduction

-----

¶1. (C) During your meeting with Foreign Minister Upendra Yadav on the margins of the 63rd UN General Assembly, in addition to the issues you raised with Prime Minister Dahal (reftel), you should urge Yadav to: (1) rein in Madhesi extremist groups; and (2) create a positive environment for foreign investment. Your meeting will be the Foreign Minister's first with a U.S. official at the Assistant Secretary level or above. Although Yadav visited the U.S. for the first time in July 2007, he had no meetings with U.S. officials.

#### Koshi Flood

-----

¶2. (U) The breach in the Koshi River embankment in Nepal's Sunsari district on August 18 led to massive flooding and damage in Foreign Minister Yadav's constituency.

#### Talking Point

-- The U.S. has provided more than USD 900,000 in assistance for Koshi flood victims.

#### Reining In Madhesi Extremists

-----

¶3. (C) While Yadav and the Madhesi People's Rights Forum (MPRF) he heads do not control the Home Ministry, as the strongest Madhesi party, with known ties to the Madhesi extremist groups, Yadav is in a position to rein these groups in. In spite of periodic warnings from our Terai contacts of another Madhesi uprising if Madhesi demands for greater autonomy and inclusiveness are not met, our estimate is that the four MPRF ministers (Yadav plus three others) will not jump ship any time soon and take to the streets unless there is a major clash with the Maoists over federalism or land reform.

#### Talking Point

-- Urge you to use your influence to rein in Madhesi

extremists;

-- Their violent activities are undermining law and order, threatening life and liberty, and impeding the development work of those, including donors such as the U.S., who want to assist the people of the Terai.

#### Creating A Positive Environment for Business

-----

14. (C) On September 26, the Embassy delivered a letter from the Charge d'Affaires to the Prime Minister expressing concern about very recent, illegal, 3-day lockouts by labor unions at Coca-Cola's two bottling plants in Nepal (one of which is in the Terai). The letter strongly encouraged the PM to take action to address these types of issues if his Government was serious about attracting and retaining foreign investment. Much of Nepal's industrial sector is located in the Terai.

#### Talking Point

-- Urge the Government of Nepal to create a positive environment for foreign investment.

BERRY